CANADA IN THE MODERN WORLD

A Supplement to be used in conjunction with the textbook

REVISED 1965

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SUPPLEMENT
FOR SOCIAL STUDIES 30

This supplement has been prepared for use with the authorized textbook *CANADA IN THE MODERN WORLD* for the year 1965-66 in the Province of Alberta.

PART I of the Supplement gives up-to-date information throughout the textbook, with ready references to pages and lines. Page references marked with an asterisk refer to corrections that have already been made in the 1964 printing of the book.

PART II is an Appendix to Unit III of the Book and gives a general outline of significant developments since 1954 in the field of international affairs. Its chief purposes are to guide the student in his study of contemporary affairs and to give him a better understanding of current events.

PART I

Page Line

P. 33: During 1964 the railway from Roma, west of Peace River, Alberta, to Hay River and Pine Point on Great Slave Lake in the Northwest Territories was completed. Lead and zinc ore from Pine Point began moving south to smelters in British Columbia.

P. 49: Several large hydro-power developments are under construction in Canada from British Columbia to Labrador. Among the most important of these are:

(1) the Peace River Power Project near Hudson Hope, B.C. This project, begun in 1963, is expected to begin producing power in 1968 and to have a capacity of 2,300,000 kw. The Portage Mountain Dam being built on the Peace River will create a 680-square mile lake, the largest lake in the province.

(2) Three large dams will soon be built on the Columbia River at Duncan Lake, Arrow Lake, and Mica Creek. The United States has already paid the province of British Columbia $254,000,000 for power to be generated by the new developments.

(3) The greatest project of all is under construction on the Manicouagan River in Quebec. Power production is expected to begin in 1968, and by 1971 it should reach 1,344,000 kw. However, this will be only part of a still greater hydro-complex whose total potential will be about 6,000,000 kw.

*P. 5, l.34: Canada is the second largest country in the world.

P. 17, l.30: The St. Lawrence Seaway project has increased Canada's water power output.

*P.22, l.13: The St. Lawrence Seaway project has been completed.

P. 22, l.17: Canada's 1963 population was 19,000,000; her area is 3,851,809 square miles, giving a population density of about 5.7 per square mile.

P. 28, l.24: Inuvik (instead of Aklavik)

P. 30: These improvements have been made, and the St. Lawrence Seaway was opened in 1959.

P. 30, l.15: The project cost $1,000,000,000.

P. 31, l.24: The Trans-Canada Highway became a reality with the opening of the Rogers Pass in September 1962.

P. 39, l.12: Agriculture employs 10.3% of the total labour force.

P. 40, l.18: The surplus of industrial materials, when traded with other countries, brought in a total of $2,404,957,000 in 1960.

P. 43, l.18: The former Belgian Congo is now independent and is known as the Republic of the Congo.

P. 44, l.35: The United States no longer operates the Nicaro nickel mines.

P. 46, l.28: Canada is now a world supplier of sulphur.

P. 48, l.34: The value of clay products and other structural materials was $339,000,000 in 1960.

P. 49, l. 1: Mining employs about 2% of the total labour force. The average wage is about $96.00 per week.

P. 53, l.30: Canadian oil production was 290,000,000 barrels in 1963.

*P.55, l. 1: The area of the oil fields is from 8,000 to 30,000 square miles and the estimated yield is 100 billion to 300 billion barrels of oil.

P. 69, l.14: Inuvik (instead of Aklavik). Also lines 18 and 24.

*P.71, l.19: The Organization of American States is the name commonly used, not the Pan-American Union.

P. 76, *l.*11: see *P.* 78, *l.*15.

P. 78, *l.*15: In May 1962 the Canadian Government set the value of the Canadian dollar at 92½ cents in United States currency, and maintains the value within 1% either way.

P. 78, *l.*26: The Union of South Africa is now a republic and has ceased to have membership in the Commonwealth.

*P.*102, *l.* 5: In 1960 and 1961 Canada stood fifth among the trading nations of the world, being surpassed in her total foreign trade by the United States, West Germany, the United Kingdom, and France.

*P.*102, *l.*12: Consult the new World Trade table as shown below.

TABLE I

Leading Countries in World Trade, by Value of Trade and Trade per Capita, 1960 and 1961

Country	Exports, f.o.b.		Imports, c.i.f.		Total trade	
	1960	1961	1960	1961	1960	1961
	Value of Trade (Millions of U.S. Dollars)					
World total[1]	**113,700**	**118,700**	**119,490**	**124,480**	**233,190**	**243,180**
United States	20,584[2]	20,912[2]	16,446	16,109	37,030[2]	37,021[2]
Germany, Federal Republic	11,418	12,690	10,107	10,948	21,525	23,638
Britain	10,349	10,754	12,714	12,314	23,063	23,068
France	6,864	7,222	6,281	6,679	13,145	13,901
Canada	5,837	6,107	6,150	6,195	11,987	12,302
Netherlands	4,028	4,288	4,531	5,087	8,559	9,375
Japan	4,055	4,236	4,491	5,810	8,546	10,046
Italy	3,648	4,188	4,725	5,222	8,373	9,410
Belgium and Luxembourg	3,775	3,924	3,957	4,219	7,732	8,143
Sweden	2,564	2,738	2,899	2,921	5,463	5,659
Venezuela	2,432	2,415	—	—	3,629	3,576
Australia	1,962	2,324	2,704	2,394	4,666	4,718
India	—	—	2,293	2,131	3,624	3,576
Switzerland	1,880	2,043	2,243	2,707	4,123	4,750
Malaya and Singapore	2,091	1,939	2,035	2,024	4,126	3,963
Denmark	1,494	1,538	1,805	1,873	—	—

[1] World total exclusive of China, U.S.S.R., and those countries of Eastern Europe not reporting trade currently.

[2] Including military aid extended to other countries.

*P.*103, *l.* 1: In 1963 Canada's population reached 19,000,000 people.

*P.*103, *l.*23: Consult the new Table of Trade per Capita in U.S. dollars shown below.

TABLE II

Trade per Capita[1] in United States Dollars

Country	Exports, f.o.b.		Imports, c.i.f.		Total trade	
	1960	1961	1960	1961	1960	1961
	Value of Trade (Millions of U.S. Dollars)					
Belgium and Luxembourg	399	412	418	443	817	855
Trinidad and Tobago	345	402	351	391	696	793
Switzerland	355	371	423	492	778	864
Netherlands	351	368	395	437	736	806
Sweden	343	363	388	387	730	750
Canada	327	335	344	340	671	674
Denmark	326	333	394	406	720	729
New Zealand	357	328	331	372	688	700
Venezuela	363	321	—	—	430	374
Norway	246	257	407	447	642	703
Finland	222	236	238	258	460	493
Germany, Federal Republic	205	224	—	—	287	317
Australia	191	221	—	—	343	339
Malaya and Singapore	245	220	238	229	482	439
Israel	—	—	237	266	—	—
Ireland	—	—	224	233	—	—
Britain	—	—	242	329	—	—
Hong Kong	231	216	344	393	575	545

[1] Trading countries as listed by I.M.F., except that Aden, Netherlands Antilles, and countries with neither exports nor imports of U.S. $100 million in 1961 were excluded.

*P.*104, *l.*23: Note the changes in Canada's principal imports shown in Table III.

TABLE III

Leading Imports, 1956-61

Note — Commodities are arranged in order of value in 1961.

Commodity	1956	1957	1958	1959	1960	1961
	$'000	$'000	$'000	$'000	$'000	$'000
Machinery (non-farm) and parts	628,521	631,599	532,916	585,235	579,791	603,097
Automobile parts (except engines)	284,788	260,075	240,526	288,596	296,571	304,487
Petroleum, crude and partly refined	271,291	305,557	278,540	277,495	280,071	291,170
Electrical apparatus, *n.o.p.*	257,292	249,328	240,112	269,462	260,473	265,260
Aircraft and parts (except engines)	91,304	93,691	94,820	76,745	116,494	216,964
Engines and boilers	132,325	138,451	134,603	135,002	141,419	182,575
Automobiles, passenger	125,539	106,596	141,543	199,601	220,144	157,003
Tractors and parts	159,627	127,658	117,290	172,069	131,541	135,947

Leading Imports, 1956-61 (Continued)

Commodity	1956	1957	1958	1959	1960	1961
Rolling-mill products (iron and steel)	234,709	221,257	147,049	131,263	133,007	110,812
Farm implements and machinery (except tractors) and parts	72,522	74,572	81,006	101,752	97,118	95,680
Cotton fabrics	62,130	65,049	66,168	70,058	75,150	75,896
Paperboard, paper, and products	61,954	62,027	65,478	68,051	68,660	75,381
Synthetic plastics, primary forms	47,092	49,747	54,891	61,024	64,554	71,382
Apparel (except hats) of all textiles	44,793	47,034	48,903	61,830	63,873	71,099
Fuel oils	81,593	76,204	64,886	77,903	66,853	59,789
Coal, bituminous	96,516	90,692	67,067	65,115	61,821	58,777
Sugar, unrefined	55,828	75,632	58,578	56,810	50,677	55,204
Parcels of small value	49,371	51,982	53,583	54,514	53,764	55,066
Bauxite and alumina for aluminum	24,635	38,831	30,284	31,345	39,529	52,775
Coffee, green	62,657	59,120	55,252	50,326	47,314	52,184
Books, printed	27,950	31,468	34,765	39,458	43,391	48,794
Vegetables, fresh	43,694	41,614	43,431	43,285	49,436	47,827
Iron ore	38,722	36,387	28,932	27,129	48,370	47,433
Cotton, raw	58,748	49,487	45,416	43,079	49,928	47,313
Pipes, tubes and fittings (iron and steel)	123,088	147,727	88,371	55,305	48,405	46,092
Newspapers, magazines, and advertising matter	34,435	35,727	37,012	38,392	39,224	43,937
Principal chemicals (except acids), *n.e.s.*	61,871	54,487	41,785	42,617	43,934	43,770
Drugs and medicines	26,560	28,729	29,619	32,824	32,947	41,349
Logs, timber, and lumber	40,555	31,582	35,697	44,955	39,603	39,804
Tools	32,779	36,227	34,737	36,517	34,279	37,911
Citrus fruits, fresh	32,596	32,864	36,058	35,316	36,528	36,839
Wool fabrics	40,191	40,938	35,848	35,668	35,327	36,339
Rubber, crude and semi-fabricated	40,610	39,101	30,779	52,063	42,587	35,007
Glass cut, pressed or blown	20,141	21,393	23,783	24,772	25,366	31,608
Cooking and heating apparatus, and parts	41,717	38,265	38,009	39,426	33,101	31,424
Soybeans	24,377	23,727	23,442	28,058	32,204	30,261
Canadian goods returned	10,052	9,162	11,987	10,337	24,191	30,116
Vegetable oils (except essential oils)	21,624	21,003	25,061	24,316	22,192	29,718
Fruit juices and syrups	19,126	19,672	25,514	28,178	26,016	29,436
Synthetic fabrics	23,570	25,336	26,895	27,927	27,455	29,326

*P.*112, *l.*16: Canada's trade customers in the period 1939-1953 are considered here.

*P.*105: Consult the new table shown below.

TABLE IV

Leading Domestic Exports, 1956-61

Note — Commodities are arranged in order of value in 1961

Commodity	1956	1957	1958	1959	1960	1961
	$'000	$'000	$'000	$'000	$'000	$'000
Newsprint paper	708,385	715,490	690,209	722,271	757,930	761,313
Wheat	513,081	380,415	446,078	441,830	410,453	661,785
Lumber and timber	328,099	282,690	293,600	323,717	346,300	354,866
Wood pulp	304,536	292,406	285,449	311,253	325,122	346,661
Nickel and products	222,909	248,253	212,580	226,857	251,248	338,457
Aluminum and products	236,163	230,495	223,620	232,426	269,420	250,727
Copper and products	205,500	154,357	139,696	166,067	223,916	201,803
Uranium ores and concentrates	45,777	127,934	276,506	311,904	263,541	192,722
Petroleum, crude and partly refined	103,923	140,975	73,044	74,541	94,450	154,267
Iron ore	144,443	152,281	107,674	157,814	155,472	135,835
Asbestos, unmanufactured	99,895	107,058	90,745	110,431	120,113	131,341
Synthetic rubber and plastics materials, not shaped	[1]	[1]	[1]	[1]	109,144	103,832
Machinery (non-farm) and parts	47,130	57,177	46,881	48,403	67,074	96,694
Whisky	68,660	66,994	70,276	78,262	79,220	80,397
Aircraft and parts (except engines)	49,545	39,910	109,113	24,960	20,745	80,127
Fish, fresh and frozen	59,594	63,186	70,898	66,523	68,833	72,528
Farm implements and machinery (except tractors) and parts	63,937	67,339	93,829	110,205	81,279	70,538
Wheat flour	71,549	61,175	69,398	64,903	62,239	60,783
Zinc and products	74,232	65,118	55,510	55,465	63,672	58,950
Electrical apparatus, *n.o.p.*	21,407	25,186	24,944	32,571	47,282	55,817
Rolling-mill products, (iron and steel)	25,719	33,043	31,833	53,509	73,979	55,765
Fertilizers, chemical	49,211	48,958	46,476	48,792	52,348	53,279
Pigs, ingots, blooms, and billets (iron and steel)	20,749	42,226	24,278	32,622	53,349	52,232
Barley	94,977	67,522	78,118	66,310	51,441	48,966
Cattle, chiefly for beef	630	41,678	84,101	40,404	26,573	48,034
Flaxseed	43,629	64,723	45,056	41,226	47,283	46,269
Gas exported by pipeline	—	—	17,984	16,953	18,051	41,689
Engines and boilers	30,912	38,365	34,636	40,827	47,664	39,439
Plywoods and veneers	29,020	22,336	22,524	32,351	32,717	34,191
Pulpwood	49,794	48,459	34,655	29,737	31,186	33,811
Scrap iron and steel	30,427	28,620	12,394	12,781	13,675	33,295
Lead and products	35,046	29,432	26,125	25,531	26,140	27,830
Abrasives, artificial, crude	28,389	33,911	22,717	27,737	31,736	27,657
Tobacco, unmanufactured	17,320	21,905	18,555	25,140	25,327	27,617
Molluscs and crustaceans	20,554	20,413	19,220	21,231	23,268	24,852
Fur skins, undressed	25,893	25,944	23,322	24,128	23,161	23,949
Shingles	24,546	19,393	19,828	21,406	20,968	20,779
Fish, cured	22,835	24,513	22,700	21,791	22,153	20,678
Silver, unmanufactured	18,693	16,635	18,554	19,721	19,571	19,548
Automobiles, passenger	17,027	22,629	19,382	16,316	24,261	16,748

[1] Data for 1956-59 not comparable with subsequent years.

*P.*113: See the new table showing Canada's trade with Commonwealth and Preferential Countries shown below.

TABLE V

Trade by Geographic Area

Trade of Canada with Commonwealth and Preferential Countries, and Other Countries, 1946-61

Item and Year	Britain		Other Commonwealth and Preferential Countries		United States[1]		Other Countries	
	Value	P.C. of Total	Value	P.C. of Total	Value	P.C. of Total	Value	P.C. of Total
Domestic Exports	$'000		$'000		$'000		$'000	
1946	594,138	26.1	301,411	13.3	884,066	38.9	492,390	21.7
1947	746,718	27.1	405,485	14.8	1,030,101	37.4	570,495	20.7
1948	683,249	22.4	337,880	11.1	1,498,552	49.1	532,409	17.4
1949	702,074	23.6	309,214	10.4	1,504,768	50.6	458,913	15.4
1950	467,896	15.1	197,654	6.4	2,020,703	65.1	417,763	13.4
1951	630,124	16.2	260,889	6.7	2,296,235	58.9	709,834	18.2
1952	744,461	17.4	283,809	6.6	2,302,673	53.8	951,418	22.2
1953	662,785	16.2	244,745	6.0	2,413,318	58.9	776,263	18.9
1954	651,033	16.9	202,561	5.2	2,308,670	59.8	697,953	18.1
1955	767,642	18.0	248,624	5.9	2,547,636	59.8	694,426	16.3
1956	811,113	17.0	252,117	5.3	2,803,085	58.9	894,127	18.8
1957	720,898	15.1	250,016	5.0	2,846,646	59.4	981,320	20.5
1958	771,576	16.1	290,125	6.1	2,808,067	58.6	921,667	19.2
1959	785,802	15.7	281,462	5.6	3,083,151	61.4	871,257	17.3
1960	915,290	17.4	333,815	6.4	2,932,171	55.8	1,074,299	20.4
1961	908,837	15.8	328,854	5.7	3,109,109	54.0	1,408,713	24.5
Imports								
1946	137,423	7.5	135,601	7.4	1,387,386	75.3	180,857	9.8
1947	184,207	7.2	164,553	6.5	1,951,606	76.8	242,293	9.5
1948	293,535	11.2	203,932	7.8	1,798,507	68.7	322,302	12.3
1949	302,420	11.1	186,306	6.9	1,915,227	70.6	310,072	11.4
1950	400,811	12.8	241,124	7.7	2,089,531	66.9	393,765	12.6
1951	415,194	10.4	306,287	7.6	2,752,087	68.7	531,371	13.3
1952	351,541	9.0	184,345	4.7	2,887,628	73.7	492,904	12.6
1953	445,441	10.5	170,224	4.0	3,115,301	73.3	516,842	12.2
1954	382,229	9.6	181,884	4.6	2,871,279	72.4	532,010	13.4
1955	393,117	8.6	209,265	4.6	3,331,143	72.9	634,229	13.9
1956	476,371	8.6	220,808	4.0	4,031,394	72.7	818,378	14.7
1957	507,319	9.3	239,054	4.4	3,887,391	71.0	839,582	15.3
1958	518,505	10.3	210,016	4.2	3,460,147	68.5	861,824	17.0
1959	588,573	10.7	241,241	4.4	3,709,065	67.3	970,042	17.6
1960	588,932	10.8	281,167	5.1	3,686,625	67.2	925,971	16.9
1961	618,224	10.7	294,502	5.1	3,863,968	67.0	994,359	17.2

[1] Includes Alaska and Hawaii.

*P.*113, *l.* 4: In 1962 the United States took 59% of Canada's exports; 69% of Canada's imports came from the United States; 14.4% of Canadian exports went to Great Britain; 9% of Canada's imports came from Great Britain. In 1961 Japan, West Germany and Communist China replaced Australia as buyers from Canada; Venezuela and West Germany stood third and fourth in sales to Canada. (Study the tables for other changes.)

*P.*114: See the Table of Exports, Imports, and Total Trade of Canada, 1956-62 shown below.

TABLE VI

Exports, Imports, and Total Trade of Canada, 1956-62

(Millions of dollars)

	Exports			Imports	Total trade	Balance of trade
	Domestic	Re-exports	Total			
Calendar Year						
1956	4,760.4	73.3	4,833.7	5,547.0	10,380.7	—713.2
1957	4,788.9	95.3	4,884.1	5,473.3	10,357.5	—589.2
1958	4,791.4	102.9	4,894.3	5,050.5	9,944.8	—156.1
1959	5,021.7	118.6	5,140.3	5,508.9	10,649.2	—368.6
1960	5,255.6	131.2	5,386.8	5,482.7	10,869.5	— 95.9
1961	5,755.5	140.2	5,895.7	5,771.1	11,666.8	+124.7
January-October						
1961	4,709.5	113.1	4,822.7	4,729.2	9,551.9	+ 93.4
1962*	5,098.9	140.9	5,239.8	5,276.5	10,516.2	— 36.7

Note: Figures revised to exclude settlers' effects, tourist purchases, private donations, and other special non-commercial transactions. * Preliminary

*P.*115, *l.* 1: In 1961 the order of the four regions listed in Table V, *P.*113 of the textbook was: first, the United States; second, the United Kingdom; third, Other Countries; and fourth, Other Commonwealth and Preferential Countries.

*P.*116, *l.* 1: Correct figures for the years 1960 and 1961 can be found by studying the new tables of Trade of Canada by Leading Countries.

*P.*115: Add the following table of Trade of Canada, 1959-61.

TABLE VII

Trade of Canada, by Leading Countries, 1959-61

Domestic Exports

Rank in — —			Item and Country			
1959	1960	1961		1959	1960	1961
				$'000	$'000	$'000
1	1	1	United States (incl. Alaska and Hawaii)	3,083,151	2,932,171	3,109,109
2	2	2	Britain	785,802	915,290	908,837
3	3	3	Japan	139,724	178,859	231,574
4	4	4	Germany, Federal Republic	129,345	165,597	212,753
1	31	5	China, Communist	1,720	8,737	125,448
7	5	6	Australia	53,929	98,862	78,628
6	7	7	Belgium and Luxembourg	56,127	69,131	76,121
12	6	8	France	43,157	72,907	71,923
5	10	9	Norway	62,308	61,595	69,744
13	8	10	Italy	31,717	68,393	67,688
8	9	11	Netherlands	53,849	62,554	60,480
9	13	12	India	53,654	36,814	42,885
19	22	13	Poland	15,631	16,665	41,164
14	12	14	Mexico	27,633	38,023	38,529
10	11	15	Republic of South Africa	51,243	52,655	37,819
11	14	16	Venezuela	45,833	35,345	34,978
24	16	17	New Zealand	13,306	23,858	31,125
20	25	18	Cuba	15,222	13,038	31,104
32	20	19	Argentina	7,002	19,364	30,893
23	19	20	Brazil	14,148	19,755	30,076
25	32	21	Union of Soviet Socialist Republics	12,638	8,233	24,276
15	15	22	Switzerland	25,728	26,404	22,422
38	36	23	Czechoslovakia	4,936	6,767	20,617
17	23	24	Colombia	17,668	16,590	19,525
16	21	25	Jamaica	18,538	18,056	19,077
26	26	26	Trinidad and Tobago	12,636	12,971	18,398
21	18	27	Sweden	14,879	20,906	17,654
22	24	28	Philippines	14,863	14,809	15,645
18	27	29	Pakistan	17,317	11,942	15,315
29	28	30	Puerto Rico	10,522	11,172	13,109
			Totals, 30 Leading Countries	4,834,227	5,037,462	5,516,915
			Grand Totals, Domestic Exports	5,021,672	5,255,575	5,755,513

Imports

Rank in — —			Item and Country			
1959	1960	1961		1959	1960	1961
1	1	1	United States (incl. Alaska and Hawaii)	3,709,065	3,686,625	3,893,968
2	2	2	Britain	588,573	588,932	618,225
3	3	3	Venezuela	204,582	195,189	216,640
4	4	4	Germany, Federal Republic	123,905	126,988	136,530
5	5	5	Japan	102,669	110,382	116,607
7	6	6	France	56,940	50,121	54,280
11	7	7	Italy	37,656	42,843	49,140
9	8	8	Belgium and Luxembourg	44,786	41,401	44,780
6	10	9	Saudi Arabia	70,725	37,402	41,393
13	9	10	Jamaica	31,012	37,688	39,085
10	11	11	Australia	41,080	35,508	36,685
15	13	12	Netherlands	29,154	31,456	33,493
14	15	13	India	29,221	29,352	33,465
8	12	14	Netherlands Antilles	47,120	32,521	31,137
17	17	15	Brazil	28,479	24,883	29,081
18	18	16	Switzerland	24,514	24,343	26,102
19	21	17	Sweden	18,077	20,409	24,201
16	16	18	Malaya and Singapore	28,644	28,120	23,597
20	22	19	British Guiana	18,033	18,921	23,281
26	14	20	Iran	11,948	30,740	21,622
[1]	19	21	Kuwait	[2]	22,303	20,225
12	20	22	Mexico	34,201	21,007	18,193
22	23	23	Ceylon	15,133	15,556	16,516
24	25	24	Trinidad and Tobago	12,731	14,512	14,480
23	24	25	Hong Kong	12,969	15,534	14,143
21	26	26	Colombia	15,827	12,784	13,023
32	27	27	Republic of South Africa	6,564	11,482	12,645
27	30	28	Denmark	9,227	9,962	11,650
29	29	29	New Zealand	8,594	10,099	10,546
42	41	30	Norway	4,063	4,248	8,965
			Totals, 30 Leading Countries	5,365,491	5,331,309	5,633,696
			Grand Totals, Imports	5,508,921	5,482,695	5,771,033

[1] Lower than 50th. [2] Included with Saudi Arabia prior to 1960

*P.*117, *ff*: Changes in the patterns of Canadian trade from those shown on these graphs may be determined from the newer tables given. Students wishing more full or exact information should refer to recent issues of the *Canada Year Book*.

*P.*118, *l.* 1: Tables VIII and IX deal with Canada's trade balance and the exchange problem.

TABLE VIII

Value of Total Foreign Trade of Canada (excluding gold), 1947-61

Note: Figures have been revised to cover the adjustment for "Special Transactions-Non-Trade".

Year	Exports			Imports			Balance of Trade: Excess of Exports (+) Imports (—)
	Domestic	Re-exports	Total	Dutiable	Free	Total	
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
1947	2,752,799	36,829	2,789,628	1,562,690	979,969	2,542,659	+246,968
1948	3,052,090	34,441	3,086,531	1,382,203	1,236,074	2,618,276	+468,254
1949	2,974,969	29,428	3,004,397	1,444,124	1,269,902	2,714,025	+290,372
1950	3,104,016	38,620	3,142,636	1,621,534	1,503,697	3,125,231	+ 17,406
1951	3,897,082	48,847	3,945,929	2,174,304	1,830,635	4,004,939	— 59,011
1952	4,282,361	54,814	4,337,175	2,162,882	1,753,535	3,916,418	+420,757
1953	4,097,111	55,158	4,152,269	2,417,960	1,829,848	4,247,808	— 95,539
1954	3,860,217	65,604	3,925,821	2,311,568	1,655,833	3,967,401	— 41,580
1955	4,258,328	69,448	4,327,776	2,638,037	1,929,718	4,567,754	—239,978
1956	4,760,442	73,335	4,833,777	3,292,516	2,254,435	5,546,951	—713,175
1957	4,788,880	95,261	4,884,141	3,223,197	2,250,149	5,473,346	—589,205
1958	4,791,436	102,907	4,894,343	2,952,707	2,097,785	5,050,492	—156,150
1959	5,021,672	118,628	5,140,300	3,143,065	2,365,856	5,508,921	—368,621
1960	5,255,575	131,217	5,386,792	3,048,583	2,434,112	5,482,695	— 95,903
1961	5,755,513	140,229	5,895,741	3,117,872	2,653,161	5,771,033	+124,709

TABLE IX

Number and Expenditure of Foreign Travellers in Canada and Canadian Travellers Abroad, 1956-60

Year and Item	Foreign Travellers in Canada	Foreign Expenditure in Canada	Canadians Travelling Abroad	Canadian Expenditure Abroad	Excess of Foreign Travellers in Canada	Excess of Canadian Expenditure Abroad
	No.	$'000	No.	$'000	No.	$'000
1956—						
Total	27,719,100	337,000	27,215,800	498,000	+ 503,300	+ 161,000
U.S.	27,666,500	309,000	27,076,700	391,000	+ 589,800	+ 82,000
Overseas	52,600	28,000	139,100	107,000	— 86,500	+ 79,000
1957—						
Total	28,681,000	363,000	27,368,300	525,000	+1,312,700	+ 162,000
U.S.	28,619,400	325,000	27,209,400	403,000	+1,410,000	+ 78,000
Overseas	61,600	38,000	158,900	122,000	— 97,300	+ 84,000
1958—						
Total	28,596,300	349,000	27,595,700	542,000	+1,000,600	+ 193,000
U.S.	28,530,700	309,000	27,421,700	413,000	+1,109,000	+ 104,000
Overseas	65,600	40,000	174,000	129,000	— 108,400	+ 89,000

Table IX (Continued)

1959—						
Total	29,947,400	391,000	28,192,700	598,000	+1,754,700	+ 207,000
U.S.	29,880,800	351,000	27,989,900	448,000	+1,890,900	+ 97,000
Overseas	66,600	40,000	202,800	150,000	— 136,200	+ 110,000
1960—						
Total	29,726,500	420,000	29,286,400	627,000	+ 440,100	+ 207,000
U.S.	29,654,600	375,000	29,045,800	462,000[1]	+ 608,800	+ 87,000
Overseas	71,900	45,000	240,600	165,000	— 168,700	+ 120,000

[1] Inclusive of Hawaii.

*P.*118, *l.* 7: From 1947 to 1950 inclusive and again in 1952, Canada had favourable trade balances. But in 1951, and from 1953 to 1960, Canada's trade balances were all unfavourable. The deficits were mainly the result of high levels of investment and economic activity in Canada. The fact that for years the Canadian dollar was at a premium of about 3% in spite of the adverse trade balance between Canada and the United States was attributable to the high demand for Canadian dollars to invest in oil, lumber, and iron resources. These capital investments, added to the ordinary trade payments, created a demand larger than that for American dollars.

*P.*119, *l.*25: The Canadian Trade Commission Service maintains sixty-five offices in forty-seven countries.

*P.*121, *l.*25: The Soviet Union, Czechoslovakia, and Poland are now included in the lists of exporters and importers of Canadian goods, as shown by the new tables.

*P.*124, *l.* 8: Members of GATT held sessions in Geneva in 1955-56 and in 1960-62.

*P.*128, *l.*20: Latin American animosity toward the United States was also made apparent in the Cuban Revolution (1958-59).

*P.*130, *l.* 6: Canada now stands fifth in World Trade. (See note *P*102, *l.*5)

**P.*180, *l.*25: By 1931 these extra payments amounted to £100,000,000 a year.

**P.*230, *l.*14: Communist China has a population of more than 600,000,000.

*P.*244, *l.* 1: In October 1954 West Germany became the 15th member of the alliance.

*P.*245, *l.* 2: Lord Ismay was succeeded as Secretary-General of NATO by Paul Henri Spaak of Belgium, who in turn was succeeded by Dirk Stikker of the Netherlands. Manlio Brosio of Italy is now Secretary-General of NATO.

*P.*245, *l.* 7: This was the strength of NATO forces in 1955. Their size and kind are constantly changing to meet new conditions.

*P.*246, *l.* 8: Since 1950 Canada has contributed more than $1,750,-000,000 in aid of one sort or another to the European members of NATO. However, the annual contribution is gradually decreasing as individual members assume more and more of the responsibility for their own defence requirements.

*P.*246, *l.*12: At the present time the population of the NATO countries is 478 millions.

*P.*247, *Map*: West Germany became a member of NATO in 1956. Cyprus is now independent, and not a member of NATO. Austria is now independent and is a neutral country without membership in NATO.

**P.*253, *l.*5: In 1952 almost fifty per cent of Canada's *national revenue*, over $1,400,000,000, was spent on national defence.

*P.*254, *l.* 7: France and Communist China have also produced and tested atomic devices, following the lead set by the United States, the Soviet Union, and the United Kingdom.

*P.*262, *l.*19: Italian Somaliland became independent as part of the State of Somalia in 1960.

*P.*263, *l.*10: The Republic of the Congo should be added to the list of states in which intervention by the United Nations helped to prevent greater suffering and bloodshed.

*P.*265, *l.* 5: Fifty nations have been admitted into the United Nations since 1954, often by means of a "package deal" in the General Assembly. In 1955 sixteen new members were admitted, but Japan and Outer Mongolia were excluded; In 1956 four members were added, including Japan; in 1957 two were added, and one in 1958; in 1960 seventeen, mostly in Africa, were added, and in 1961 four more, including Mongolia, became members. Six new states have become members since that time.

*P.*360, *l.*11: The Union of South Africa has withdrawn from the Commonwealth. New members of the Commonwealth are as follows: Ghana and the Federation of Malaya (now Malaysia) (1957), the Federation of Nigeria

The shaded areas were not yet independent at the end of 1963.

(1960), Cyprus, Sierra Leone, and Tanganyika (now Tanzania) (1961), Western Samoa, Jamaica, Uganda, Trinidad and Tobago (1962), and Kenya, Malawi, Zambia, and Malta (1964). (Students should take note of recent developments in many parts of the Commonwealth: Malaysia, British Guiana, British Honduras, the Leeward and Windward Islands, Malta, Cyprus, and Gambia.) The total population of the Commonwealth is approximately 700,000,000 people.

*P.*367, *l.* 5: Pakistan is now an independent country in the British Commonwealth.

*P.*372, *l.* 3: This agreement came to an abrupt end with the seizure of the Suez Canal and the Suez Crisis of October-November, 1956.

*P.*372, *l.* 9: In 1956 the Sudanese voted for independence. Though the new nation became a member of the United Nations, it did not join the Commonwealth.

*P.*374, *l.* 9: The Federation of Rhodesia and Nyasaland was dissolved by the end of 1963. The protectorate of Nyasaland became the independent state of Zambia, and the crown colony of Southern Rhodesia remains the internally autonomous state of Rhodesia. Only in Rhodesia do the white people maintain control.

*P.*374, *Map*: See the new map of Africa on *P.* 14 of this supplement.

*P.*389, *l.* 2: On August 15, 1962 an agreement was signed by the Dutch and Indonesian representatives whereby:

(1) the Netherlands would hand over West New Guinea to the United Nations on October 1, 1962;
(2) The U.N. would then hand it over to Indonesia on May 1, 1963;
(3) U.N. representatives would remain in New Guinea until 1969 to prepare for a plebiscite on affiliation with Indonesia or independence.

*P.*391, *l.*10: France has granted independence to Tunisia, Morocco and Algeria. Recent troubles in these areas i.e. attempts of the Tunisians to compel the French to give up the naval base of Bizerte, and border disputes between Algeria and Morocco, are the fault of the newly established states themselves.

**P.*445: The lines on this page have been misplaced. Line 4 from the bottom should be the first line on the page. The last three lines on the page should follow line 5 from the top.

**P.*459, *l.*8: The Senate has never been able to initiate money bills.

For a general summary of changes since 1955 in the field of international relations and the search for security, the following outline has been prepared.

PART II

APPENDIX TO UNIT III — THE SEARCH FOR SECURITY
IMPORTANT DEVELOPMENTS SINCE 1955

The past decade has been an eventful one in the field of international affairs. Although there have been no catastrophic changes since *Canada in the Modern World* was first published, and the hostility and rivalry between the Western and Communist worlds remain a serious threat to peace, a number of important developments have taken place, some of which may prove to have a significant bearing on the future course of events. The brief summary that follows is confined mainly to developments in two areas of conflict — the Cold War and the revolt against colonialism. Even so, there is space only for a mere outline. More complete accounts can be found in the books listed in the bibliography at the end of this appendix.

Developments in the Free World Since 1955

The Austrian Peace Treaty, 1955. The signing of the Nine-Power Treaty in 1954, by which the Federal German Republic (West Germany) received its independence and became a member of NATO, was a significant gain for the western democracies and a severe blow to the hopes of the Communists. This treaty had an immediate effect upon the status of the neighbouring state of Austria. The Communists realized that if they did not agree to a peace treaty for that country and put an end to the occupation, the western democracies — Britain, France, and the United States — might deal with it as they had dealt with West Germany; that is to say, they might make a treaty with it apart from the Soviet Union and bring it into NATO. To forestall such an eventuality, the Soviet Union agreed to a peace treaty with Austria which came into effect in 1955. By the terms of the Austrian Treaty, the state of war was to end and the occupation forces to be removed. For this concession the Soviet Union exacted her price. The Austrians would have to (1) send the Soviet Union $140,000,000 worth of goods by 1961; (2) pay $2,000,000 in cash for the Danubian Steamship Company; and (3) export one-third of their oil products to the Communist countries for the next ten years. But the main clause of the Austrian treaty stipulated that Austria must not join NATO or enter any similar alliance, nor permit any foreign nation to build military bases on her territory, nor ever again unite with Germany. Thus Austria, like

Switzerland, has become permanently neutral in the struggle between the western and Communist worlds.

The European Common Market. The European Economic Community, more familiarly known as the Common Market, grew out of the Benelux Pact and the European Steel and Coal Community set up in 1951. The Treaty of Rome, 1958, brought the Common Market into being. The members of the Common Market are France, West Germany, Italy, the Netherlands, Belgium, and Luxembourg, frequently referred to as "The Inner Six".

The Treaty of Rome calls for the adoption of common external tariffs for its signatories, a European investment bank, a development bank for associated overseas territories, and complete free trade within the region by 1971. The aims of the Common Market are political as well as economic, and the members look forward ultimately to a confederation under a single central government. General Charles de Gaulle, the President of France, is a strong supporter of the plan, and hopes in this way to create in Western Europe a strong power bloc free from domination by either Britain or the United States. The Common Market has made remarkable strides already. Tariffs among the members have been reduced by about fifty per cent, and industrial production has risen by eight per cent a year. The Six have become a powerful force in international trade, and their production of steel, the backbone of industry, rivals that of the Soviet Union and her satellites.

The relation of Britain to the Common Market is interesting. At first she tried to counter the influence of the Six by helping to set up the "Outer Seven" — Norway, Sweden, Denmark, Britain, Portugal, Switzerland, and Austria. But the progress of this association did not match that of the Common Market. In 1961, faced with serious economic problems and a dwindling colonial and Commonwealth trade, Britain applied for membership in the Common Market. She sought a special concession which would allow her to maintain her trade preferences with the various Commonwealth members; but President de Gaulle had no intention of allowing Britain to become the dominant force in the European Economic Community and accordingly vetoed her admittance just at the time when the other members of the Six were prepared to welcome her as a member. This action by the French President has caused some disagreement among the members, but it has not in any way led to a split or breakdown in the organization. The necessity for co-operation in industry and trade holds them together.

Other nations as well as Britain were affected by the successes of "The Six" in building their powerful trading bloc. When it seemed almost certain that Britain would be admitted to the Common Market, other nations began to look about for trading partners to

strengthen their own areas. Canada and the United States began to discuss the possibility of an economic union in North America, and the members of the Commonwealth were concerned about the rise of economic blocs that would exclude them. For a time it seemed that there was a definite trend toward regional economic groupings, but the failure of Britain to gain admittance to the European Economic Community appears for a time at least to have checked the further extension of such associations.

Western Alliances. The two major western alliances, NATO and SEATO, have not undergone any great changes since their formation. Although the Communists have sought to destroy these alliances by any and every means, they have so far failed and there have been no withdrawals of members from either of the alliances. Significantly too, the Communists have made no advances in the areas included within these alliances.

Nevertheless, the status of the members within NATO has changed considerably in the fifteen years since it was founded. The United States now leads but does not dominate the organization. President de Gaulle of France has opposed the United States' intention to place nuclear weapons on French soil under the control of NATO; he insists that France must control all nuclear weapons on her soil. De Gaulle has also opposed the U.S. plan to set up a multilateral nuclear force for NATO consisting of 25 nuclear-equipped surface ships manned by forces from all the NATO powers. The reasons given by the United States for their stand are that the European members of the organization should take a greater part in the defence of the Atlantic Community and share a greater part of the cost. Mr. de Gaulle, on the other hand, hopes that France will assume the leading position among the European powers and he wishes to reduce the authority of the Anglo-Saxon peoples (Britain and the United States). He is encouraged in his stand by three recent developments in international affairs, namely: (1) the strengthening of western Europe economically and politically through the Common Market, (2) the lessening of pressure on western Europe by the Communists, and (3) the increasing importance of Asian, African, and Latin American nations in international affairs. Hence France does not depend so much on the United States. The same factors affect all the other members of NATO in a similar way, but they still wish to co-operate closely with the United States in maintaining NATO as a positive deterrent to Communist aggression. The Federal Republic of Germany, though closely bound with France in the Common Market, is fully in support of the proposed multilateral nuclear force (MLF) proposed by the United States.

The system of alliances begun by the Baghdad Pact in 1955, and originally known as the Middle East Treaty Organization, has not

been so successful. King Faisal II of Iraq was murdered by Karim Kassem in July 1958. Kassem then began to look to the Communists for aid, and took Iraq out of the alliance. However, the loss of Iraq did not leave a gap in the chain of alliances because Turkey and Iran, which have a common border, remained steadfast. With Baghdad out, the new alliance became known as the Central Treaty Organization, or CENTO. Recently Kassem suffered the same fate as that he meted out to his king, and the new government of Iraq has adopted a strong policy against Communism, but has made no move to re-enter CENTO.

Developments in the Communist World Since 1953

On March 5, 1953, Joseph Stalin died after ruling the Soviet Union with an iron hand for nearly twenty years. Immediately a power struggle broke out among the chief men of the Kremlin. Malenkov held the premiership for a few months and was succeeded by Bulganin; but Nikita Khrushchev, the Secretary of the Communist Party, coveted the office, and he soon found it possible to demote his rivals and to combine both positions of power — Premier of the Soviet Union and Secretary of the Communist Party — just as Stalin had done. However, Khrushchev did not use the "purge" as Stalin had done, and only Lavrenti Beria, head of the secret police, was executed in the struggle.

Khrushchev soon became aware that he must do something to allay fear and suspicion of his regime and must find some one to blame for the crimes that had been committed under Stalin's rule. Therefore he began a process of "de-Stalinization" and set about to destroy the "cult of personality". "Stalin", he said, "condemned to death many thousands who had committed no crimes at all, but who were forced to confess to the most unlikely crimes by the use of cruel and inhuman torture." In this way Khrushchev secured his position among the masses in the Soviet Union. Some of the restrictions upon the lives of the people have been relaxed, and a happier day has dawned for millions of Russian citizens.

The Hungarian Revolt. This change in Soviet policy brought problems in the control of the satellite states. Poland and Hungary made efforts to become free from Soviet domination. The people of Poland were not able to put up any great resistance to the Soviets, but in Hungary a full-scale revolt took place. Hungarian patriots formed an army of liberation, seized Budapest, and ousted the Soviet-sponsored leaders. Imre Nagy, a rebel leader, became premier of a new government of Hungary. He promised that Soviet forces would leave Hungary, that the country would become neutral as Austria had done, and that a freely elected government would be set up. But Khrushchev did not intend to give up Hungary so easily. Soon an avalanche

of Soviet tanks and soldiers swept into Hungary, and put down the Hungarians without mercy. Nagy fled to the Yugoslav embassy for safety, after calling upon the United Nations for help for his country. A Soviet veto in the Security Council prevented that body from condemning Moscow's action. Throughout the country the Hungarian forces were crushed, and tens of thousands of Hungarians fled over the border into neutral Austria whence they made their way to freedom in the west. Nagy himself was lured from the Yugoslav embassy by a promise of safe conduct, but as soon as he emerged he was arrested, taken to the Soviet Union, and executed.

The failure of the Hungarian revolt and its aftermath was a lesson to the world. The other satellite states made no attempts at a general uprising, but sought instead to wring concessions by other means. The free nations of the West were horrified at the brutality displayed by the Soviet forces, and sought from time to time to bring the matter before the United Nations so that the action might receive universal condemnation. The Soviet Union realized the impact of its actions upon world opinion and sought to prevent, if possible, such occurrences in the future.

"Peaceful Co-existence". But though Premier Khrushchev found his new policy presented problems in the control of the satellites, he did not withdraw from it or go back to the policy of Stalin. Instead, he began to profess a policy of "peaceful co-existence" and of reconciliation with the western powers. In this way he hoped to undermine their fears of Communism, cause dissensions among the democracies, and so destroy NATO. His policies might have had greater and more devastating effect if events had not forced him from time to time to reveal the true nature of Communism and its expansionist aims.

Another result of the co-existence policy of the Soviet Premier was a split in the Communist world between Red China and the Soviet Union. The former holds to the doctrine of Marx — that a Communist world can be established only by revolution — and affirms that the doctrine of co-existence is a betrayal of true socialism.

This widening rift was undoubtedly the principal reason for the dismissal of Khrushchev in October 1964. Ostensibly he resigned from his positions as Premier and Party Secretary, but he was also dropped from all participation in the government, and his name no longer appeared in any publication. Khrushchev was succeeded as Premier by Aleksei Kosygin and as Party Secretary by Leonid Brezhnev. It is generally assumed that the reasons for Khrushchev's ouster were: (1) his failure to settle the issue over Berlin, (2) his submission to the United States over the question of missile bases in Cuba, (3) the failure of his agricultural policies within the Soviet Union, and (4) his rift with Red China over Communist policy.

In the brief time since the dismissal of Khrushchev, two developments have occurred: (1) the Red Chinese Premier Chou En-lai, has attended a Party meeting in Moscow, and Premier Kosygin has visited Peking, apparently in an attempt to heal the wound opened by Khrushchev; but (2) the new Soviet leaders have assured the western democracies that they intend to follow the policy of peaceful coexistence, no doubt hoping that they will maintain the gains made by Khrushchev in approaching the western powers. However, the leaders of Communist China affirm that there can be no unity between the opposing Communist ideologies until Khrushchev's policies as well as Khrushchev have been discarded.

The Rise of a Neutral Bloc — the Afro-Asian Nations

Perhaps the most significant development of the last decade has been the rise of a third group of powers committed neither to the western democracies nor to the Communist world. At the end of the Second World War Britain, France, and the Netherlands held vast colonial possessions in Africa and Asia, from which they drew great wealth. Since the end of the war practically all the territories under European rule in those continents have achieved their independence. The territories in Asia over which Britain has relinquished her hold since 1945 are now the sovereign states of Burma, India, Pakistan, Ceylon, Malaysia, Israel, and Jordan; and in Africa, Egypt, the Sudan, Ghana, Nigeria, Tanganyika, Sierra Leone, Somalia (in combination with the former Italian Somaliland), Kenya, and Uganda. France's former possessions in Asia now constitute the independent states of Laos, Cambodia, Viet-Nam (North and South), Syria, and Lebanon; and in Africa, Algeria, Morocco, Tunisia, Mauritania, Mali, Senegal, Guinea, the Ivory Coast, Upper Volta, Togo, Dahomey, Niger, Chad, Cameroun, the Central African Republic, Congo (Brazzaville), Gabon, and the Malagasy Republic. Indonesia, with its 90 million people, won its independence from the Netherlands, and in 1963 acquired also the territory of West New Guinea. Libya, which was one of Italy's African possessions before the Second World War, became independent in 1951, and the Congo (Leopoldville), Rwanda, and Burundi have recently attained independence from Belgium. The Philippines were granted their independence by the United States in 1946. All these new states, together with others such as Ethiopia and Iraq, both of which have known periods of European domination, and Saudi Arabia, which has also been subjected to foreign pressures, form a distinct element in world affairs. In most of these states, with their memories of a colonial past, nationalist sentiment is strong and any attempt at foreign domination, whether by the West or the Communist powers, is resented.

Furthermore, these new nations of Africa and Asia have achieved an importance and a voice in the affairs of the world which they prize very highly. Immediately upon gaining their independence most of them were admitted to membership in the United Nations. There the vote of each of them in the General Assembly is equal to that of any other power, and the views of each may be freely expressed. In 1960 alone sixteen of these new African states became members of the world organization, at one leap bridging the gap from colonial status to full independence, a leap for which most of them were inadequately prepared by their former mother countries.

The Afro-Asian Bloc. Among the Afro-Asian nations that gained their independence after 1945 were some who wished to unite the others into a neutral or uncommitted bloc so that, as a group, they could exert greater influence when dealing with either side in the Cold War. Taking the lead in establishing the neutral bloc were Jawaharlal Nehru, Prime Minister of India; Gamal Abdel Nasser, President of Egypt; and Achmed Sukarno, President of Indonesia, with encouragement from President Tito of Yugoslavia.

The first important meeting of the Afro-Asian nations was the Bandung Conference held in Indonesia in 1955. The main purpose was to devise a policy that would allow the members to remain neutral in their relations with the great power blocs, and in particular to block the expansion of SEATO. Chou-en-lai, the foreign minister of Communist China, attended the meeting and gave the members a favourable impression of the intentions of his country, allaying the fears of many of the delegates from Southeast Asia. The influence of the Bandung Conference and the conciliatory gestures of the Communists led to the "Summit" conference at Geneva, the first "thaw" in the Cold War. After Geneva, Premier Khrushchev visited President Eisenhower and exchanges of prisoners took place between the Communists and the West. Many millions throughout the world hoped that the "Geneva spirit" heralded the beginning of the end of the Cold War.

Another conference of non-aligned nations was held in 1961 in Belgrade, Yugoslavia, attended by representatives from twenty-five neutral countries. The outcome was a call to both the Communist world and the western nations to place a ban on the testing of nuclear weapons and to bring about total disarmament. The Afro-Asian nations promised to work for the liberation of all people still under colonial rule, and to seek greater representation of the neutral-bloc members in the active organs of the United Nations.

Recurring Crises in the Cold War

The long "freeze" that began between Stalin and the West in 1946 and lasted until after his death in 1953 showed a sudden

"thaw" with the holding of the Geneva Conference in 1955 and the proclamation of the theory of co-existence by Premier Khrushchev. Relations cooled again at the time of the Hungarian revolution in 1956. It seemed impossible for the western powers to get a test-ban treaty with the Soviet Union and an agreement on the outlawing of atomic weapons enforced by a system of fool-proof inspection.

The U-2 Incident. President Eisenhower of the United States declared that in the absence of such an agreement it was vital for the democracies to keep an eye on military developments within the Soviet Union. To carry out such action, high-flying reconnaissance planes of the U-2 type were sent over the Soviet Union. In 1960 one of the planes was shot down inside that country and the incident brought relations between the two countries to a new crisis, even threatening war.

Divided Germany. Incidents such as the U-2 flight bring into focus the most explosive issue in the Cold War — the future of divided Germany, and especially the thorny problem of Berlin. That city, still divided into two zones, epitomizing, as it were, the two sides in the global Cold War, presents a problem that could at any time touch off a holocaust that could engulf the world.

At the root of the problem lies the unwillingness of the Soviet leaders to agree to a unification of Germany through free elections. In East Germany a Soviet-sponsored government has been set up and is maintained in power by backing from the Kremlin. This satellite state, known as the German Democratic Republic, contains about eighteen million people. Its political and economic life is closely tied in with that of the Soviet Union. But there have been various uprisings by the East Germans against their Communist masters and about three million of them have fled across the Iron Curtain to find freedom in the West.

The Problem of Berlin. Since most of these refugees made their escape by crossing from East Berlin to West Berlin, it is here that the Communists have taken the harshest measures to prevent further escapes. In the city itself the East German authorities have cleared a path and have erected a concrete and barbed-wire wall between the western and eastern sectors. Their plan has largely succeeded, for the flow of refugees has slowed from 200,000 a year to a tiny trickle, although a surprising number still risk their lives in trying to escape.

All this is very embarrassing to the Communists who wish to convince the world of the advantages and blessings of their brand of socialism. Therefore in 1958, in an attempt to end a situation that to the Soviets seemed intolerable, Khrushchev devised a plan to oust the western forces from Berlin. He began to demand that the western

powers and the Soviet Union write a peace treaty with the two German states separately. However, the western powers had already made a treaty with West Germany and brought her into NATO, and they refused to recognize the government of East Germany as long as it was a puppet of the Kremlin.

At this, Khrushchev threatened to sign a separate peace with East Germany and to turn over the access routes into Berlin — road, rail, and canal — to the East German government, which might then close the routes to the western powers and isolate the two million free Germans in West Berlin. Cut off from supplies and help, the hapless enclave would be forced to capitulate and the whole of the former German capital would come into the hands of the East German Communist state. There was a grave risk of war in this plan, but the stakes were high and Khrushchev was willing apparently to take the chance. The deadline for such a move he set as the end of 1961.

The western powers were not alarmed. They informed the Soviet leader that such a move would be a contravention of the agreement made in 1945 when Germany was occupied by the four powers and when Berlin was similarly divided. The only way to change the existing situation, they said, would be to carry out the original agreement and unify the country under a single government chosen by the people themselves.

The western powers had refused to be intimidated, and the situation remained unsettled. The outcome was a strengthening of the prestige of the West. Khrushchev repeated the threat from time to time, but did not sign a treaty with the East German regime. The stream of refugees continued, and so the wall in Berlin, symbol of Communist suppression, was built.

Cuba. But the men in the Kremlin did not give up. Blocked in one direction, they tried in another. They shifted the centre of the struggle to Cuba, and succeeded in setting up missile bases in that island, less than a hundred miles from the shores of the United States. Out of this there arose the Cuban crisis of 1962 and an unprecedented action by the United States which brought the world to the brink of war. Once again, war was averted by the willingness of the Soviet leader to retreat.

The background of the Cuban story can be given only briefly here. In 1958 Fidel Castro overthrew by the "July Revolution" the corrupt rule of Batista and set up a military dictatorship. To secure money he introduced a socialist system and began nationalizing all foreign holdings and breaking up the large estates to give land to the peasants. In thus taking over the ranches and banks and refineries owned chiefly by American firms, he antagonized the United States, the more so because he was being guided in his reforms by advisers

from the Soviet Union. After a time the United States government announced that it would no longer pay the subsidy on sugar by which it had supported Cuba's economy, and in this and other ways the United States began to seek the overthrow of the Castro government. The result was to bring Cuba ever more tightly into the embrace of the Soviet Union. Russia began to send economic aid to Cuba and contracted for her sugar crop. Cultural exchanges took place as well, and soon a steady stream of Communist propaganda was directed against the United States.

Early in 1961 an army of Cuban refugees attempted, with some backing from the United States, to invade Cuba and set up a new government. The venture was a fiasco, and the Bay of Pigs invasion ended with more than a thousand Cuban invaders in Castro's jails awaiting possible execution. Embarrassed by her part in the sorry business, the United States set about the task of redeeming the prisoners by sending to Castro millions of dollars worth of medical supplies until all the prisoners had been released.

The alleged violation of Cuba's sovereignty by the United States was carried to the General Assembly of the United Nations and severely criticized. Castro used the incident to show that he needed arms for the protection of Cuba, and these the Soviet Union was willing to supply. By October 1962 aerial photographs taken from American planes showed that the Soviet Union had used the opportunity to set up missile bases and to import ballistic missiles capable of destroying cities as far from Cuba as Washington or Ottawa.

President Kennedy immediately announced that the United States Navy was enforcing a strict quarantine on the shipment of military supplies to Cuba, and demanded that the offensive missiles already there be removed at once. He also began to build-up forces in Florida that seemed to be preparing for an invasion of Cuba. Khrushchev acknowledged that the missiles were in Cuba, and ordered their removal. The quarantine or blockade was lightened immediately, and was completely lifted as soon as the missiles had been sent back to the Soviet Union.

Latin America. Meanwhile a more subtle form of infiltration of Communism is taking place in Latin America. Cubans are being indoctrinated by teachers and specialists from the Soviet Union and then sent into the restive and poverty-stricken countries of South and Central America — Honduras, Guatemala, Panama, Venezuela, Colombia, Brazil and others — to stir up hatred against the United States and to sabotage American-owned industries there, even though the economy of these countries and the livelihood of the people depend largely upon the income derived from those very industries.

United Nations Forces Help to Preserve Peace

The Suez Crisis. Within the past decade two serious international problems have tested the power and prestige of the United Nations. The first of these was the Suez crisis in the fall of 1956 when hostilities broke out suddenly between Israel and Egypt. Britain and France intervened to prevent the canal from being blocked, and occupied Port Said after bombing the area around it. Nasser responded by scuttling ships to block the canal, and destroying the bridges that spanned it. The Soviet Union threatened to intervene on the side of Egypt, and a third world war seemed imminent.

At this point the United Nations took up the question. The actions of Britain and France were condemned, and the two countries were ordered to cease their advance on the canal zone. Reluctantly they obeyed, and a truce came into effect. Under the guidance of Lester B. Pearson of Canada a United Nations Emergency Force was set up to keep the peace between the forces of Egypt and Israel. Then a loan was procured to pay for the clearing of the blocked canal, and gradually conditions returned to normal. Thus the United Nations helped to avert a conflict which might easily have become a world-wide conflagration.

The Congo. The other test came in the Congo, formerly a Belgian colony. In 1960 Belgium was forced to grant independence to this land of many tribes. She had not prepared the way for self-rule by the native peoples, and many Belgians remained to exercise their former control in a state whose citizens expected that without effort all the wealth of the country would flow into their hands. At once civil war broke out among the tribes, fanned by the winds of the Cold War. The Belgians sent troops in to protect the white populace, and sides were drawn, with the rich and better developed province of Katanga supporting the Belgians while the Soviet Union added its voice to the support of Premier Lumumba. After considerable bloodshed, the Secretary-General of the United Nations, Dag Hammarskjold, ordered the Belgian troops out and sent in United Nations forces to restore and maintain order. The General Assembly supported this action.

The trouble and unrest in the Congo persisted for many months. Premier Lumumba was arrested and murdered by his foes. In the south, Moise Tshombe, the Katangan leader, resisted the efforts of the United Nations and kept up a struggle for secession of Katanga from the rest of the Congo. The United Nations ran short of money to carry on its operations and was forced to seek loans, a step opposed by the Soviet Union on the grounds that the United Nations was serving the interests of the western powers.

Further tragedy came with the death of Dag Hammarskjold in a plane crash as he flew to settle affairs in Katanga. He was succeeded

by the assistant secretary, U Thant, and the policy begun in the Congo has been continued. Finally the country was unified and a semblance of peace brought to it.

The last United Nations forces were withdrawn from the Congo on July 1, 1964. Rebel Congolese, stirred up by agents from Communist China, at once began uprisings against the government of Moise Tshombe, who employed white mercenaries to lead his troops against the rebels. Civil war flared in four provinces of the Congo. Soon the rebel Congolese were holding many of the whites as hostages, a strategy intended to prevent attacks from government forces. At that time there were some three thousand whites in the Congo — missionaries and nuns, teachers, traders, managers of businesses, doctors and nurses. When threats were made by the rebels against their lives, the Canadian Government sent Mr. Robert Thompson, national Social Credit leader, to Ethiopia to try to enlist the help of responsible African leaders on their behalf. His trip was unsuccessful in obtaining either the release of the prisoners or a guarantee of their safety. When their desperate position became known, three nations acted swiftly to save as many as they could. Belgium offered a company of paratroopers, the United States provided planes, and Britain gave the necessary airfields. Paratroopers were dropped on Stanleyville and other centers, and many whites were freed. The rescue team brought out more than 1,500 white refugees, but more than one hundred others, including two Canadians, were massacred by the rebels. Others were subjected to shameful indignities. Within a month the rescue party withdrew from the Congo, disproving the claims of the Communists that the whole operation was an example of western imperialism. Following the western intervention the rebellion subsided in the Congo, and up to the present (1965) Tshombe's government seems to have the matter in hand. However, the whole story of the Congo since the Belgian withdrawal in 1960 shows the impracticality of granting independence to a colony before it is ready to manage its own affairs.

Threats to Peace and Signs of Promise

Danger Points. While the conflict between the western and the Communist worlds flares up now in one place, now in another, its causes remain fairly constant. Berlin is a perpetual danger spot. Southeast Asia, especially Laos and Vietnam, are areas in which the Chinese Communists are waging a steady war of nerves punctuated by outbursts of fighting and burning. A neutrality agreement for Laos, signed by fourteen nations in Geneva in 1961, has been persistently broken by the Communists who are gradually taking over the whole of the country.

During 1964 South Vietnam became the greatest danger-spot in the Cold War, and sporadic fighting has been occurring between North and South Vietnam, in spite of the presence there of an international team composed of representatives of Canada, India, and Poland to supervise the truce signed in 1954. Thousands of Communists have infiltrated into South Vietnam to assist the Viet Cong who are slowly but surely increasing their influence throughout the country. In response to requests from the government of South Vietnam, the United States has poured into the country great quantities of arms, fighter planes, bombers, and helicopters, and great numbers of military personnel as instructors and advisers. The military situation has continued to worsen, so that early in 1965 the United States began bombing attacks on supply lines for the Viet Cong and against military installations and points of concentration in North Vietnam. The precarious situation in South Vietnam is aggravated by several disconcerting factors, namely: (1) the failure of the supervisory truce team to inspect and prevent shipments of arms from the North to the Viet Cong; (2) the increasing build-up of the Communist influence in both Laos and Cambodia, neighbouring states; (3) the unstable governments in South Vietnam, there having been some twelve changes in government since the assassination of Ngo Dinh Diem in November 1963; (4) the opposition of the Buddhists to the majority of the nation's leaders, and (5) the continued threats of the Peking government to enter the struggle on the side of North Vietnam if that country is attacked. At the present time it would appear that the United States' policy is aimed at (1) building up a position of strength from which South Vietnam can negotiate a settlement, and (2) arranging for a permanent and properly supervised truce that would guarantee the existence of the threatened country.

Hardly less serious than Vietnam is the threat of war that is developing between Malaysia and Indonesia. Malaysia is a federated kingdom composed of the former British colonies of Malaya, Singapore, Sarawak, and North Borneo (Sabah). President Sukarno of Indonesia strongly opposed the formation of Malaysia, asserting that it was a creation of British imperialism in the area, and he threatened to crush the young nation of ten million people before the end of 1964. Indonesian guerillas have made repeated landings on the Malay Peninsula and have crossed the jungle boundary from South Borneo, but so far they have had little success. Britain has guaranteed the defence of Malaysia and sent about 50,000 troops to protect the new nation.

An interesting and perhaps significant result of the creation of Malaysia has been its effect upon the United Nations organization.

When Malaysia was elected to the Security Council in 1964, the President of Indonesia announced the withdrawal of his country from the United Nations and, in spite of appeals from Secretary-General U Thant and others, severed all connections with the organization. Sukarno's action was applauded by Red China who has tried for so many years to gain admittance to the U.N. This first withdrawal was feared by some to be the beginning of a disintegration of that world organization.

The Nineteenth Session of the United Nations suffered from more than just the problem of Indonesia's withdrawal. The Soviet Union, France, and six other members had refused for two years to pay their peace-keeping dues and, according to Article 19 of the U.N. Charter, would be liable to lose their votes in the General Assembly. The United States announced that she would challenge the right of these nations to vote. In order to prevent a show-down between the Soviet Union and the United States over this question, the United Nations' leaders avoided any vote that would bring the matter to a head. Consequently the 1964-65 session of the General Assembly was the most colourless and ineffectual in its nineteen year history. Early in 1965 the session adjourned, hoping that by the time the Twentieth Session opens in October a solution to the impasse will have been found.

Another area of danger is the border between India and Red China. A Chinese penetration of India threatened to bring those two giants to war, and shook India from her professed policy of neutrality. India has begun to arm herself in case the Chinese should attack again.

India's decision to arm herself has aroused the people of Pakistan who fear the might of India at all times. Therefore Pakistan has sought and signed a non-aggression pact with Red China, a step which may have important consequences for SEATO.

Already mentioned as centres of Communist infiltration are the Latin American countries of Cuba, Venezuela, Honduras, Panama, and Brazil. These may become danger spots at any time. In Africa there are still colonial areas which could become troublesome if their relations with their mother countries do not improve. Two of these are the Portuguese territories of Angola and Portuguese Guinea.

For a short time in 1964 the island of Cyprus held the spotlight as a danger point. The trouble was an internal one — conflict between the Greek Cypriots and the Turkish Cypriots, the former outnumbering the latter by four to one. Order was restored by a United Nations' peace-keeping force to which Canada is a contributor. However, no final solution has been found for keeping peace between the two factions. One of the problems attending the dispute

is the effect it might have on NATO since Greece and Turkey are both members of that alliance.

Space. One more field of rivalry between the West and the Communists should be mentioned. This is the control of outer space. The Soviet Union has held the advantage in this race, putting her "Sputnik" into orbit around the earth before the United States succeeded in launching her "Explorer I". Since then both sides have spent large sums of money in the effort to outdo each other. In April 1961 the Soviet Union put the first man, Yuri Gagarin, into orbit around the earth. It was another ten months before an American, John Glenn, performed a similar feat. Such flights may lead to a mastery of the skies that could bring great strategic advantages to the country that achieves first place.

Nuclear Arms. All the dangers inherent in the hostility between the western and Communist worlds are, of course, complicated and increased by the fact that both sides have vast stockpiles of nuclear armaments to which they can go on adding without limitation or restraint. The problem of nuclear arms and their control affects not only East-West relations, but also relations among the members of NATO themselves. The nations that have developed and tested nuclear weapons, sometimes called the "Nuclear Club", are the United States, the Soviet Union, Britain, France, and Communist China with the first two well in the lead. The United States does not wish to enlarge the club and therefore insists upon keeping the control of her nuclear bombs and war-heads in her own hands. Among the NATO members, France insists that all atomic weapons on her soil must be under her control. This is one of the most troublesome problems faced by the NATO command.

On the international scene, conferences have been in session at Geneva for years, trying to find a solution to the problem of prohibiting tests of nuclear weapons on land, in the air, and under water, and to begin the process of general disarmament among the nations of the world. In the spring of 1963 the western powers came to the decision that further negotiations were futile. Nothing more, it seemed, could be accomplished at Geneva. However, the Soviet government let it be known that it would not be averse to a treaty prohibiting the testing of nuclear weapons. The reasons for the Soviet Union's change of attitude may not be known, but her willingness to come to an agreement with the western nations was probably a result of her ideological quarrel with Communist China. The move may have been an attempt by the Soviet Union to prove to her Communist ally that the policy of peaceful co-existence can be made to serve her own purposes. Whatever the reason, the Soviet Union made an approach to the West, and test-ban talks began in Moscow

on July 15. Ten days later the foreign ministers of the United Kingdom, the United States, and the Soviet Union gave tentative approval to a treaty that would prohibit testing of nuclear weapons in the atmosphere, under water, and in outer space. Official signing of the treaty took place in Moscow on August 5, 1963.

It is too early to know whether the signing of the test-ban treaty marks any significant change in the attitude of the Soviet Union towards the West, but recent incidents such as the temporary blockade of access roads to Berlin and the arrest of western citizens on spy charges within the U.S.S.R. have tended to increase tensions again and to give the impression that there has been no appreciable change in the Cold War. Nevertheless the test-ban treaty is a welcome and positive step towards a more secure world.

On the Brighter Side. To the various agencies and organizations dedicated to the building of international harmony and welfare, such as the Alliance for Progress and the Peace Corps (both instituted by the late President Kennedy), the Colombo Plan, and the branches of the United Nations, may now be added the International Co-operation Year. By unanimous resolution of the General Assembly, 1965 was designated as a year in which all the 115 members of the United Nations would strive together to reduce tension and bring about increased world understanding and co-operation. It is the hope of the sponsors of the idea that 1965 will see greater co-operation and harmony among all societies and peoples — between individuals and communities, between national organizations, and between governments and inter-governmental authorities, especially in the fields of human rights, responsibilities, and dignity.

Recommended books for further study of the subjects mentioned in this outline:

1. *World Problems* by E. C. Carter; W. J. Gage Limited, Toronto, 265 pp. illust., $3.60.
2. *The Background to Current Affairs* by D. W. Crowley; Macmillan & Co. Ltd., London and Toronto, 1961. 375 pp. no illustrations, $3.60.
3. *Contemporary Civilization* by distinguished writers, pub. by Scott, Foresman, W. J. Gage, 275 pp., $2.50.

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